

Fulfilling the 'Chinese Dream'

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Fulfilling the ‘Chinese Dream’

The Hong Kong theater and the new Cold War

Catherine Yuk-ping Lo

In this issue of *Atlantisch Perspectief*, Roberta N. Haar wrote an article entitled “Will China replace the U.S. as the world’s predominant power?” Among other things, the article examines the scholarly discussion about a rising power’s ambition to challenge a declining great power. The power-transition theory, proposed by A. F. K. Organski in 1958, argues that a rising power would challenge a dominant power, especially if the former is dissatisfied with the status quo.¹ In light of the Chinese challenges to the US, Haar argues that COVID-19 may ultimately reduce Chinese power on the world stage, rather than enhance its influence in the world.

This article attempts to approach Sino-US relations from a Chinese foreign policy perspective. I will first discuss one of the main sources of Chinese assertiveness in its current foreign policy strategy and the implications for its behavior. Next, I will elaborate on the latest diplomatic tensions between China and US, the role of Hong Kong as the main theater of the new Cold War, and how COVID-19 could be a game-changer for Chinese ascendance and US declinism. I will conclude by suggesting strategies China could adopt in times of a global COVID-19 outbreak and the possible “decoupling” of Sino-US relations.

AMBITIOUS RISING POWER, NO MORE “LAY LOW”

China is a rising power. Since China began to open up and reform its economy in 1978, GDP growth has averaged almost 10 percent a year, and more than 850 million people have been lifted out of absolute poverty. China overtook Japan as the world’s second-largest economy in 2010. It has since remained in that position, second only to the US.

Furthermore, China is an ambitious power. The source of its rising power ambition could be traced back even be-

fore 2010. In May 2002, China’s President and General Secretary of Chinese Communist Party (CCP) Jiang Zemin put forth the notion of “an important period of strategic opportunities” (*zhongyao zhanlue jiyu qi*) in his speech at the Party School. The 16th Party Congress subsequently adopted this notion in a keynote Party document, stating, “For our country, the first two decades of the twenty-first century are an important period of strategic opportunities, which we must seize tightly, and which offers bright prospects.”²

The idea of “twenty years” of strategic opportunities is built upon three essential achievements in the Jiang administration (1993-2002): (1) the peaceful reunification of Hong Kong and Macau with China in 1997 and 1999, respectively; (2) the ability to sustain a steady GDP growth performance of 8.8 percent in 1997 and 7.8 percent in 1998 while its neighboring countries were undergoing severe financial meltdown during the 1997/98 Asian Financial Crisis;³ (3) the accession to the World Trade Organization (WTO) in 2001 supported by the Clinton administration as part of the US engagement policy with China.



After the 1989 Tiananmen Square protests, China's foreign policy strategy highlighted the fact that China as a developing country should concentrate on its economic development (i.e., accomplish something) and that China should never seek hegemony or leadership. This changed after President Xi took office (photo: Flickr/Michael Mandiberg)

China has, however, not openly challenged the power status quo. The country has adhered to a “lay low” foreign policy strategy since 1990. The strategy is summarized in eight Chinese characters (i.e., *tao guang yang hui, you suo zou wei*). The widely adopted English translation of the eight-character strategy would be “keep a low profile, accomplish something.” First proposed by Deng Xiaoping (1978-1993) in the aftermath of the 1989 Tiananmen Square Incident, the strategy highlighted the fact that China as a developing country should concentrate on its economic development (i.e., accomplish something) and that China should never seek hegemony or leadership. In other words, China wanted to make its rise as quiet and non-provocative as possible (i.e., keep a low profile).

Chinese recent assertiveness is attributed mainly to the changing course of its foreign policy strategy. After Xi became the CCP General Secretary in November 2012 and the President of China in March 2013, he ditched the keep-a-low-profile part and went directly to the second half of the strategy: accomplish something.

Fulfilling the Chinese Dream is what Xi would like to accomplish.⁴ The Chinese Dream entails the great rejuvenation of the Chinese nation. The great rejuvenation is realized via the attainment of “Two Centenary Goals”: the economic targets of China becoming a “moderately prosperous (*xiaokang*) society in China by around 2021, the 100th anniversary of the CCP and the modernization of target of China becoming a completely developed country by around 2049, the 100th anniversary of the PRC.”⁵ To make the Dream come true, Xi has announced a significant number of economic and trade initiatives since 2013, including the development of the “Silk Road Economic Belt” and the “21st-Century Maritime Silk Road,” a scheme that was later dubbed “Belt and Road Initiatives.”

The second centenary goal is also about national sovereignty and the territorial integrity of the country. The last imperial dynasty of China was forced to sign “unequal treaties” and divided into different spheres of influence by European and Japanese colonial powers after the end

of the Opium Wars. Hong Kong and Macau were two of the “lost territories” in the century of humiliation. Under the One Country Two Systems (IC2S), for 50 years after the reunification, both cities enjoy a high degree of autonomy, political rights, and freedom unavailable in other parts of China. Since the IC2S will expire in 2047 in Hong Kong and 2049 in Macau, observers believe that 2049 would be the deadline for the CCP to take back Taiwan, either peacefully or otherwise.

COVID-19 AS A STRATEGIC OPPORTUNITY

Will China achieve great rejuvenation by 2049? Last year China celebrated its 70th birthday. One-party governments nevertheless have rarely survived longer than 70 years; the political regime could fall apart because of a big crisis. Some commenters and observers predict that the ongoing COVID-19 turmoil could be the “ultimate” cause of the collapse of the one-party regime. In the absence of the ideological and political-electoral legitimacy pillars, economic performance has been the key pillar legitimizing one-party rule in China. Considering the slow-down of economic growth since 2014, and the financial repercussions of the Sino-US Trade War since 2018, the ongoing COVID-19 crisis could further erode its performative legitimacy.

On the 20th of January, Xi gave “important directions” for responding to the coronavirus. It was the first public speech Xi had made since the first reported cases in China in December 2019.⁶ The aggressive and somewhat draconian measures in disease control following Xi’s speech have been impressive. One well-known measure was the lockdown of the epicenter Wuhan and its neighboring cities on the 23rd of January. The scale of lockdown, in terms of the number of people being quarantined (i.e., around 20 million in three cities), was unprecedented in human history. Apart from the three cities, many residential districts and housing estates in other Chinese cities underwent semi-lockdowns, or “en-closed management” in Chinese terms.

Another outstanding measure is that the Chinese authorities managed to build two new hospitals in Wuhan in 10 days. These two hospitals could admit and treat around 2,000 patients. Another 16 makeshift hospitals were also set up in Wuhan to admit patients with mild symptoms. That the Chinese government constructed a hospital in 7 days on the outskirts of Beijing during the 2003 SARS outbreak provides a model for the current government in its response to the new epidemic 17 years later.

While COVID-19 is still raging worldwide, in the opening session of the National Party Congress on the 22nd of May, Premier Li Keqiang confidently stated that China

had pulled out of the pandemic crisis faster and in better shape than much of the world because of the “hard work and sacrifice of our [the] entire nation.”⁷

Seizing the “period of strategic opportunities” amid COVID-19, the Chinese leadership announced the controversial National Security Law for Hong Kong at the Congress. The move evidently accelerates the Xi’s vision of a “great rejuvenation of the Chinese nation,” for the legislation aimed at stamping out any acts or activities that endanger Chinese national security. In the eyes of Beijing, the anti-extradition-bill protests that have disrupted the city for the past year are a prelude to separatism, subversion, and terrorism. The government claims that the activities have been covertly plotted by foreign forces to prevent China from rising and rejuvenating. Xi’s decision to impose security legislation on Hong Kong directly rather than by working through the territory’s local legislature nevertheless would result in a “one country, one system” in Hong Kong.

HONG KONG AND THE NEW COLD WAR

One could understand that the aim of the implementation of National Security Law in Hong Kong is to defend China’s national interests of national sovereignty and territorial integrity. As such, Chinese moves might not fit the “power transition” scenario of being a dissatisfied challenger to the established, aging hegemon. This line of argument nevertheless misses the point that the *perception* of the US regarding Chinese actions equally determines the process of the power transition.

Hong Kong is the main theater of the new Cold War. Hong Kong has experienced a social movement since June 2019. The demonstrations oppose the government-proposed extradition bill that could send Hong Kong people to Mainland China for trials. Hong Kong people are afraid that they would not receive fair trials in Mainland China, and they see the proposed bill as a means for Beijing to arrest political dissidents. A series of protests began in June 2019, with two million people marching on the street on one occasion (i.e., around one-third of Hong Kong’s population) to protest the extradition bill. The Hong Kong government’s refusal to investigate police brutality during the mass protests has kept the momentum of the social movement going, even though the bill was withdrawn in September 2019. Hong Kong observers and commentators believe that the present National Security Law is simply the 2.0 version of the 2019 extradition bill. Still, the former is more stringent because the Law allows Chinese intelligence agencies to set up their bases and enforce law directly in the city.

The extradition bill is viewed as an ideological threat to



Fulfilling the Chinese Dream is what Xi would like to accomplish. The Chinese Dream entails the great rejuvenation of the Chinese nation. This means, for example, striving for a moderately prosperous (*xiaokang*) society in China by 2021. Pictured here is Wangfujing Street in Beijing (photo: Vitaly Kyrchuk/Shutterstock.com)

the US. More importantly, the Hong Kong protests have been utilized by the US to increase its bargaining power with China. Three weeks before the signing of Phase I of the trade deal, the US government passed the Hong Kong Democracy and Human Rights Bill in December 2019—Washington could punish Hong Kong and Chinese officials violating human rights in Hong Kong.

The National Security Law is also perceived as an economic as well as ideological threat by the West. A joint statement by the US, Canada, Australia, and the United Kingdom, released on the 28th of May, denounced the National Security Law, stating that the proposal is in “direct conflict” with China’s promises in 1997 when it regained sovereignty over the former British colony.⁸ The US has also launched an aggressive separate reaction to the National Security Law. On the 27th of May, one day before the final approval of the plan, Secretary of State Mike Pompeo announced that Hong Kong no longer enjoys a “high degree of autonomy” from China. He further claimed, “No reasonable person can assert today that

Hong Kong maintains a high degree of autonomy from China, given facts on the ground.”⁹

Pompeo’s announcement is predictable since it is not the first time that the US has played the Hong Kong card on China. The US has long been an observer of the situation in Hong Kong. Before the 1997 handover, the US Congress enacted the US-HK Policy Act, which stipulates that the US would continue to treat Hong Kong as a *separate territory* in trade and economic matters. When the protest started in June 2019, the US had already raised the issue of canceling the US-HK Policy Act and even threatened to revoke the WTO membership of Hong Kong.

The current US plan of removing Hong Kong’s special privileges sends a strong warning signal to China, while protesters in the territory warmly welcome the US decision. Protesters believe that the withdrawal of the US-HK Policy Act could further erode the performative legitimacy pillar of China because China relies on this global financial hub for transactions with other countries. Many Chinese



Without a special status, the city is no longer an independent economic entity that can attract foreign capital, and its trade and financial system could collapse. Protestors clearly understand all the possible economic repercussions of the city's economy. They nevertheless believe that US involvement and international pressure could be a way to change the mind of the Chinese leadership (photo: Jimmy Shiu/Shutterstock.com)

and foreign firms use Hong Kong as an international or regional base, and members of elite Communist Party families do business and own property there—the importance of Hong Kong to China's economic development has been barely discussed in state-run media.¹⁰

Without a special status, the city is no longer an independent economic entity that can attract foreign capital, and its trade and financial system could collapse. Hong Kong could eventually become just another Chinese city. Protestors clearly understand all the possible economic repercussions of the city's economy. They nevertheless believe that US involvement and international pressure could be a way to change the mind of the Chinese leadership. The mentality of Hong Kong protestors is best captured with a quote from *The Hunger Games* movie, “If we burn, then you burn with us.”

A MISJUDGMENT OF THE US DECLINISM

In the eyes of Chinese leaders, US declinism looked likely in the aftermath of the Global Financial Crisis in 2008/09, when China became a key holder of US debt. Hints of US declinism are even more visible in the Trump

administration. The rise of American trade protectionism, isolationism, and the retreat from major international agreements and obligations, including the Trans-Pacific Partnership (TPP), the Paris Agreement on climate change, the Intermediate-Range Nuclear Forces Treaty, UN Human Rights Council, together with the threatened-to-withdraw proposals from WTO and WHO all verify the decline of the US. Trump's indecisive responses to the early outbreak of COVID-19 on American soil as well as the recent nationwide George Floyd demonstrations add new evidence of US declinism.

Washington is in decline; however, the rate of decline is not as fast as Beijing would like to see. Despite an outstanding growth in economic and military power in China, the US outperforms its Chinese counterpart in both areas. The US likewise outcompetes China in alliance building in Asia. In addition, John Ikenberry, a renowned Professor in international relations and American foreign policy at Princeton University, argues that although America's hegemonic position may be declining, the liberal international order is likely to persist, even in the Trump administration. In Ikenberry's words, “the stability and

persistence of the existing international order do not depend on the concentration of American power.”¹¹

NEVER FORGET WHY YOU STARTED

The hard work and sacrifice of the entire nation in curbing the global spread of COVID-19 comes at an enormous price. The economic and political repercussions are unimaginable. The global supply chain has been disrupted due to complete and semi-lockdowns in various industrial provinces of China. The manufacturing purchasing managers' index (PMI), a critical indicator of China's manufacturing activity, registered 40.3 in February, which was the lowest in history, even though the latest figure released in early June rebounded to the baseline (i.e., 50).¹²

The Chinese government did not set a target for economic growth during the recent National Congress, which would imply that the authorities are more cautious about the aftermath of the COVID-19 impact on global economies, plus the possibility of a second wave of COVID-19 in the country. Besides, the Chinese authorities have suffered a significant loss in diplomacy in their failure to curb the outbreak of the disease and their delayed responses. Setbacks of the Belt and Road Initiatives in several countries, including the cancellation of agreements between Chinese companies and Port Darwin in Australia, the Port of Haifa in Israel, and the Hambantota Port in Sri Lanka, are among the many examples of diplomatic backlash due to the global COVID-19 outbreak.

It is wrong to believe that rising states, such as China, always *have to* challenge the existing great powers. Joshua Shiffrin, an Assistant Professor of International Relations at Boston University, proposes four strategies rising states could pursue toward declining states: (1) relegation strategy—push declining states down or from the great power ranks using all means at a rising state's disposal and expense; (2) strengthening strategy—support a decliner and keep it as a member of the great power club even at high cost and risk to rising states themselves; (3) *weakening strategy*—ad hoc and cautious gambits to whittle away at a declining state's strength over time while trying to avoid an open competition with the decliner that the riser may not win; (4) bolstering strategy—ad hoc and low-cost efforts to keep a decliner a great power.¹³

The ultimate aim of its foreign policy, indeed of all Chinese policies, is to keep the CCP in power. Without the pillars of ideological and electoral legitimacy, performative and nationalist legitimacy would be the two main pillars legitimizing CCP rule. However, the performative pillar is “shaking” owing to the slowdown of economic growth, which has been worsened by the global COVID-19

crisis. Beijing has to rely more on nationalist legitimacy. This explains the recent aggressions of China in the Taiwan Strait, Hong Kong, and the South China Sea, and the worsening relations with the US. As a perpetual one-party regime, it would be wiser for China to adopt the weakening strategy that avoids an open competition with the US. Drawing on Xi's favorite motto: Don't forget the original intention (i.e., *buwang chuxin, laoji shiming*), perhaps China needs to shift its foreign policy into the first half of the eight-character strategy—keeping a low profile, as previous Chinese leaders maintained.

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Would you like to react?

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